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CHAPTER 531 - PAY UNDER THE GENERAL SCHEDULE

SUBCHAPTER 4 - WITHIN-GRADE INCREASES

4-12 QUALITY INCREASES Contd.

(3) Level of approval.

Each recommendation of an employee for a quality increase shall be reviewed and have the concurrence of the next higher level of supervision, as a minimum.

The authority to approve quality increases shall be delegated to a management level that will assure consistency of standards within the agency and organizational unit.

To facilitate the monitoring and inspection of actions taken, each Agency shall be prepared to furnish promptly on call the supporting case documentation for employees granted quality increases.

(d) Time Limitation. To insure the appropriate benefit to the employee who is performing at a high-quality level of competence, final approval or disapproval of the recommendation for a quality increase should be made within 60 days of its submission by the immediate supervisor.

However, in setting the effective date, due consideration should be given to the possible effect on future normal step increases under the graduated waiting period schedule of 52 weeks, 104 weeks or 156 weeks prescribed by 5 U.S.C. 5335.

(4) Agency Programs.

Each Agency will develop its program and procedures for implementing these regulations. A copy of the plan will be submitted to the Director of Personnel for post-audit review purposes.

(g) Relation to Incentive Awards.

Because of the significant relationship between quality increases and cash awards for performance under the Incentive Awards Program, it will be necessary that Agency programs provide for appropriate review procedures. These should serve to distinguish between employee

performance, contributions which merit a lump-sum cash award and those which merit a continuing salary increase. The primary guidelines in determining whether an employee's high-quality performance will be recognized by a lump-sum cash award under the Incentive Awards Program, or a quality increase, will be the nature and characteristics of the performance and the approach which will provide the greatest advantage to the employee and the organization.

4-13 RECORDS AND REPORTS

a. Within-Grade Increases

Agencies shall keep, for evaluation and/or reporting purposes, sufficient records of activities and actions taken with respect to within-grade increases granted after advance notice, number withheld, requests for reconsideration, and reversals.

b. Quality Increases

The NFC will prepare an annual report of quality within-grade increases granted as of September 30. They will provide the Office of Personnel and each Agency Personnel Office with a copy of the listing.

c. Form AD-658

The current supply of AD-658 forms includes the requirement to give a 60-day notice when withholding a WGI is proposed. This is covered in Part I sentence 3 of the AD-658. This 60-day notice is not required under the revised procedures in this Chapter. Until the revised form is printed and available, this sentence should be blanked out before the form is sent to the appropriate supervisor.

4-14 PROCESSING WITHIN-GRADE INCREASES - INTERMITTENT EMPLOYEES

Completed forms AD-658, "Within-Grade Increase Record," for intermittent employees may be sent to the National Finance Center (NFC) prior to the WGI effective pay period. The WGI will be applied automatically through the

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INTERMITTENT EMPLOYEES Contd.

MODE System in the proper pay period.
The following procedures will apply:

1. When an AD-658 for an intermittent employee is submitted prior to the effective pay period, it will be processed by the NFC. The Payroll Master will be coded at the time of receipt to show that the AD-658 has been received.
2. The Payroll Master will be checked at the end of each pay period to determine if the WGI is now due. If it is, the WGI will be given automatically.

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(d) Identify the official designated to receive and act upon the reconsideration request. This individual shall be at an organizational level higher than that of the supervisor or the reviewing official, if such a level exists in the Agency.

(e) Inform the employee of his or her right to personal representation and of his or her right to a reasonable amount of official time to review the material relied upon to support the negative determination and to prepare a response to the determination, if otherwise in a duty status.

(f) Inform the employee of his or her right to request the opportunity to make a personal presentation.

The time limits for filing a reconsideration request may be extended only where the employee shows he or she was not notified of the time limit and was not otherwise aware of it, or that the employee was prevented by circumstances beyond his or her control from requesting reconsideration within the time limit.

d. Reconsideration

(1) When an employee files a request for reconsideration, the Agency shall establish an employee reconsideration file which shall contain all pertinent documents relating to the negative determination and the request for reconsideration. The file shall include copies of:

(a) The written negative determination notice and the AD-658 together with all material supporting the negative determination (documents, work records, etc.)

(b) The employee's request for reconsideration.

(c) The report of any investigation or inquiry conducted.

(d) The written summary or transcript of any personal presentation made together with any written exception to the summary or transcript that the employee wishes to make.

(e) The Agency's decision on the request for reconsideration.

The file shall not contain any document that has not been made available to the employee or his or her personal representative.

(2) Reconsideration decision.

(a) An employee's request for reconsideration shall be promptly reviewed, normally within a 30-day period.

(b) The employee shall be notified in writing of the reconsideration official's decision.

(i) If the decision is rendered in favor of the employee, he or she shall be certified as meeting the acceptable level of competence. This certification shall be made effective retroactive to the original due date.

(ii) If the decision sustains the supervisor's negative determination, the notice of decision shall inform the employee of the reasons for the decision and of the employee's appeal and/or grievance rights.

(3) Notice of appeal rights.

When a decision sustaining a supervisor's negative determination is issued to an employee, the Agency shall also provide:

(a) Notice of the 20-day time limit for appeal to the Merit Systems Protection Board (MSPB) and the address of the appropriate Board office for filing the appeal. Copies of the Board's regulations and the Board's appeal form must be attached; and

(b) Where applicable, notice of any rights under a bargaining agreement which provide the employee with an option of filing a grievance or an appeal with the Merit Systems Protection Board; or

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(c) Notice of any applicable rights to an exclusive negotiated grievance procedure for review of reconsideration decisions. The employee may not appeal to the Board but instead may file a grievance only under the terms of the negotiated procedure.

g. Subsequent Determination

After a within-grade increase has been withheld, an Agency may grant the within-grade increase at any time after it determines that the employee has demonstrated sustained performance at an acceptable level of competence.

At a minimum, the Agency shall make another determination after each 52 weeks following the original due date for the within-grade increase. Except as provided in 4-9d(2)(b)(i), when an Agency determines that an acceptable level of competence is achieved at some time after a negative determination, the effective date for the within-grade increase shall be the first day of the first pay period after the positive determination has been made. At this time, a new AD-434 and the AD-658 shall be completed and sent to NFC.

4-12 QUALITY INCREASES

d. Agency Plans(1) Quality Increases.

An employee whose performance is appraised as being of high-quality above that ordinarily found in the type of position concerned, shall be eligible for quality increase consideration.

(a) High-quality performance defined.

High-quality performance is work performance appraised as sufficiently above normal requirements. The duties must be performed at a level that substantially exceeds an acceptable level of competence so that, when reviewed as a whole, the performance is at a high level of quality. A composite of 4.3 or better must be achieved with no appraisal score below a 3 rating. The employee must also be expected to remain for at least 60 days in the same position or in a similar position, at the same

grade level in which performance can be expected to continue at the same level of effectiveness.

(b) Supervisory responsibility. The first line supervisors will be responsible for making recommendations for quality increases. A recommendation must be adequately supported. It should facilitate the review and comparison of the performance standards for the position with the actual work performance of the employee.

(c) Documentation. The justification statement should be brief and concise and include:

(i) Specific examples of how the employee's performance exceeds normal requirements in the most important functions of the job

(ii) Date of approval of special achievement cash awards received within the last two years.

(iii) Date of approval of quality increase received within the last two years.

(iv) Certification that the employee's overall performance reflects a high degree of effectiveness and that it is expected that this high quality performance will continue in the future.

(v) Signature and position of person recommending quality increase, including date recommended.

(2) Review.

No more than one quality increase shall be given an employee during any 52-week period.

All recommendations for quality increases shall be reviewed in relation to any cash award for special achievement granted within the previous two years to assure that monetary recognition for sustained superior performance in two successive years is truly merited.

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4-8 EQUIVALENT INCREASE

When an employee is promoted into a managerial or supervisory position and during the probationary period is returned to a position at the same grade and step held prior to the promotion because of unsuccessful performance, the promotion is not considered an equivalent increase.

4-9 ACCEPTABLE LEVEL OF COMPETENCE

a. Responsibility

The supervisor responsible for evaluating the employee's work shall make the determination as to whether the employee's performance is at an acceptable level of competence.

b. Notice(1) Advance notice of certification requirement.

The employing office is responsible for notifying each supervisor at least 90 days in advance of the date on which an acceptable level of competence determination is required for each employee supervised.

The National Finance Center (NFC) will issue form AD-658, "Within-Grade Increase Record," for each employee who will complete the waiting period requirement for a within-grade salary increase, 16 weeks later. Forms AD-658 will be issued to each employing office each pay period. The NFC will issue a tracer listing each pay period listing the employees for whom an AD-658 was not received in the pay period in which it was due. The tracer listing will be in two parts: one identifying AD-658's which are less than four pay periods late (forwarded to the Agency employing office), and one covering those which are over four pay periods late (forwarded to the Agency Central Personnel Office).

(2) Notification to employee.

The supervisor should give ample warning to an employee whose performance does not or may not meet the acceptable level of competence requirement. The employee should be advised of his or her deficiencies and told that he or she may not be certified as meeting the acceptable level of competence unless his or her performance

improves. The superior should record the date and substance of this notification to the employee.

A failure to inform an employee as stated above does **not** delay the determination required.

c. Determination(1) Acceptable level of competence defined.

An employee is regarded as having reached an acceptable level of competence when the employee's demonstrated work performance in all critical elements meets or exceeds standards established at the acceptable (3.0) level and when the employee's composite rating is 3.0 or greater.

The supervisor's determination shall be based on an appraisal of the employee's performance as it relates to the established work performance standards or criteria of the position occupied. (See DPM Chapter 430 - Performance Appraisal.) The appraisal shall be of the employee's performance as demonstrated within the waiting period unless otherwise excepted in redetermination cases.

An employee who has not received performance standards at least 30 days prior to the end of the waiting period, and who is not performing at an acceptable level of competence, shall have his or her acceptable level of competence determination postponed. At such time as the employee is advised of the postponement, he or she will also be advised of the performance standards to be met in order to perform at an acceptable level of competence. The period of postponement shall be not less than 30 nor more than 90 days. The employee's performance during this period shall be the basis for the determination. If at the end of the period the employee is performing at an acceptable level of competence, the within-grade increase will be retroactive to the original due date. If a determination is made that the employee is not performing at an acceptable level of competence, the procedures for denying a within-grade increase shall be followed.

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4-9 ACCEPTABLE LEVEL OF COMPETENCE Contd.

An employee reduced in grade because of unacceptable performance, and who will become eligible for a within-grade increase within 60 days, shall have his or her acceptable level of competence determination postponed. At such time as the employee is advised of the postponement, he or she will also be advised of the performance standards to be met to perform at an acceptable level of competence. The period of postponement shall be not less than 30 nor more than 90 days. The employee's performance during this period shall be the basis for the determination. If at the end of the period the employee is performing at an acceptable level of competence, the within-grade increase will be retroactive to the original due date. If the determination is made that the employee is not performing at an acceptable level of competence, the procedures for denying a within-grade increase will be followed.

(2) Effect of adverse action and actions based on unacceptable performance.

Within-grade salary increases shall not be authorized while an action is pending against an employee for such reasons as inefficiency or delinquency. The evidence which indicates that inefficiency or delinquency has taken place must be cited as the basis for the withholding and a relationship must be shown to exist with the required performance level. The determination that the employee does not meet the acceptable level of competence must be made when it is due.

(3) Failure to meet acceptable level of competence.

If the employee's performance deficiencies have not been corrected by the date the competence determination is due, and the employee's performance is appraised as not exceeding the minimum requirements of the job, the supervisor shall not certify the employee as meeting the acceptable level of competence.

(4) Certification requirement.

No employee may be granted a within-grade salary increase (WGI) until the supervisor responsible for evaluating his/her work has certified in writing that the employee meets the acceptable level of competence requirement. The supervisor shall record this determination on form AD-658.

The employee's most recent performance appraisal must support the conclusion that the employee is performing at an acceptable level of competence. If the appraisal does not support that conclusion, a written statement must be prepared which contains the reasons for granting the increase. In other words, a supervisor's rating of an employee's performance and the supervisor's actions with respect to the employee's WGI must be consistent.

(5) Review requirements.

A supervisory determination that a WGI should not be granted must be concurred in by a reviewing official prior to issuing the written notification required in Subchapter 4-9c(6).

(6) Notice of decision to withhold within-grade increase.

When it is determined that an employee's performance is not at an acceptable level of competence, the negative determination shall be communicated to the employee in writing as soon as possible after completion of the waiting period or other period upon which it was based.

The notice shall:

(a) Set forth the reasons for the negative determination.

(b) Set forth the manner in which the employee must improve his or her performance in order to be granted a within-grade increase under subsequent redetermination procedures.

(c) Notify the employee of his or her right to request reconsideration of the determination within 15 days of receipt of the notice.